

U. S. S. E. N. A. T. E



Republican Policy Committee

Don Nickles, Chairman Doug Badger, Staff Director 347 Russell Senate Office Building (202)224-2946

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The Clinton Administration and Medicare Reform: From Hippocrates to Hypocrisy

[... Make a habit of two things — to help, or at least to do no harm. —Hippocrates]

Here's what the *Washington Post* wrote in last Friday's lead editorial about the Clinton party's Medicare strategy:

"They're engaged in demagoguery, big time. . . . What the Democrats have instead is a lot of expostulation, TV ads and scare talk. . . . You listen in vain for a real response. It's irresponsible."

The *Washington Times* on Monday agreed with the *Washington Post*:

"Even The Post recognized that President Bill Clinton and his Capitol Hill allies have been reduced to a 'campaign based on distortion and fear,' a Medicare strategy that The Post condemns as 'crummy stuff'. . . . Republicans are not only on track, they are on target. Unfortunately, the same can not be said for the party that has nothing to offer but fear itself."

The Latest Flip-Flop

The reason these newspapers from opposite sides of the political spectrum could agree is because of the White House's shameless shifting of position in order to defeat Congress' Medicare preservation plan. Their flip-flop on affluence testing is just the latest example.

"Well, look, we don't object to the principle of means testing, but if you don't have to do it, why do it?"

White House Chief of Staff, Leon Panetta, CBS's *Face the Nation*, 9/17/95

"We don't need means testing for Medicare. . . ."

White House Press Secretary, Mike McCurry, Press Briefing, 9/12/95

Finally, the President himself put a stop to this blatant attempt to rewrite history. The *Washington Post* yesterday reported that the President said this at a fundraising dinner on September 18 in Philadelphia:

"Do seniors who have the ability to pay a little bit more have a responsibility to do it because they have very high incomes? I think you can make that case."

Maybe it's because Mr. Panetta and Mr. McCurry are relatively new to their positions, and so neither recalls this Administration's long history of advocating so-called means testing.

The Clinton White House and Means Testing

Early in 1993, when asked about how they would finance their initiatives, Clinton's top spokesman responded:

"What he's [Clinton] often said in the past is that we have to look at a variety of possible changes and reforms in the entitlements area, including perhaps increasing taxation of Social Security benefits, means testing Medicare benefits for very high income beneficiaries."

White House Communications Director George Stephanopoulos, 1/11/93

Less than a year later, the Vice President responded to a question as to whether means testing was an "idea whose time is coming":

"Well, it has already come after a fashion. . . . I think that before very long, our country is going to have to deal with means testing to a larger extent than is now the case."

Vice President Gore, NBC's *Meet the Press*, 12/5/93

For the White House, means testing was soon transformed from an "idea whose time is coming" to one whose time had arrived. The very next year, the President attempted to finance its hostile takeover bid for America's health care system with billions of dollars from precisely this proposal.

Nor did it stop there. They continued to revisit the proposal. In OMB Director Alice Rivlin's infamous secret deficit reduction option memo of October of 1994, means testing — code-worded as "income-relating" — appeared in the memo in at least five different places.

The Bottom Line

The bottom line on means testing or, more accurately, "affluence testing" is:

- This has been a favored Clinton Administration option since even before the President was sworn into office.

- This has been an option they have repeatedly turned to during their Administration:
 - ▶ It was applied to Medicare when it was included as part of the largest tax increase in U.S. history [Clinton's 1993 tax bill]. Under that law, it was misapplied through the taxing of 85 percent of the Social Security benefits of individuals/couples making more than \$34,000/\$44,000.
 - ▶ It was included to provide a multi-billion-dollar offset for the Clinton health plan last year.
 - ▶ It was included at least five times on the Clinton Administration's budget option list — until they abandoned deficit reduction as a goal of their budget, beginning last February.
 - ▶ It seems that this option only fell from favor once a Congress, dominated *by the other party*, wanted to apply it to saving Medicare.

This latest tactic demonstrates that the White House does not have a solution to Medicare's impending bankruptcy and has no intention of offering one. The only solution they have offered is to replace Medicare with 'Medi-Scare.'

Several years ago there was a television commercial that received widespread attention, showing a woman who had fallen and was unable to help herself. Her often echoed words are apropos to this Administration, which has chosen the low road of scare politics instead of taking the high road of preserving Medicare. After stooping to fear-mongering, an ill-advised attempt that seems to have failed, it now appears that the White House is collectively saying, "I've fallen and I can't get up!" Even the *Washington Post* and the *Washington Times* agree.

Staff Contact: J.T. Young, 224-2946